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November 5, 2004

## **VIA ELECTRONIC FILING**

Marlene H. Dortch, Secretary  
Federal Communications Commission  
The Portals  
445 12th Street, S.W.  
Washington, D.C. 20554

**Re: WC Docket No. 04-313 (Unbundled Access to Network Elements)**  
**CC Docket No. 01-338 (Review of Section 251 Obligations)**  
**WC Docket No. 04-36 (IP-Enabled Services)**  
**CG Docket No. 04-208 (NASUCA Petition for Declaratory Ruling)**

Dear Ms. Dortch:

Pursuant to Section 1.1206 of the Federal Communications Commission's ("FCC") Rules, this letter serves to provide notice in the above-captioned proceeding of *ex parte* meetings held yesterday. The undersigned accompanied Mr. James Prenetta and Ms. Pamela Hintz of CTC Communications, Inc. to meet with Commissioner Copps and his legal advisor, Jessica Rosenworcel; Commissioner Abernathy and her legal advisor, Matthew Brill; Commissioner Adelstein and his legal advisor, Scott Bergmann; and Commissioner Martin and his legal advisor, Daniel Gonzalez.

The attached written materials were provided to the participants in the meeting, and also summarize the issues discussed.

With respect to IP-Enabled Services, CTC urged the Commissioners to regulate individual services based on their respective characteristics, not based on the identity of the provider. Traditional telecommunications services should continue to be regulated under Title II of the Act, regardless of the technology used to provide the service. CTC was one of the first carriers to install an all-IP network, but it continues to provide traditional services as a regulated carrier, including payment of all fees and contributions assessed on carriers.

With respect to Unbundled Network Elements, CTC urged the Commissioners to preserve competitors' access to DS1 and DS3 loops and transport, including extended loops (EELs). Although CTC is a facilities-based carrier, it is uneconomical for it either to extend its

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own facilities to every customer's premises, or to purchase special access connections from the ILEC for the provision of local voice services.

Sincerely,

/s/  
Russell M. Blau



Federal Communications Commission

November 4, 2004

# Agenda

- Overview of CTC
- Position of CTC within the CVC Group
- CTC Affiliates
- Senior Management
- Products and Services
- Network Operations Center
- PowerPath Network
- Strategic Focus
- Strategic Regulatory Issues and Concerns

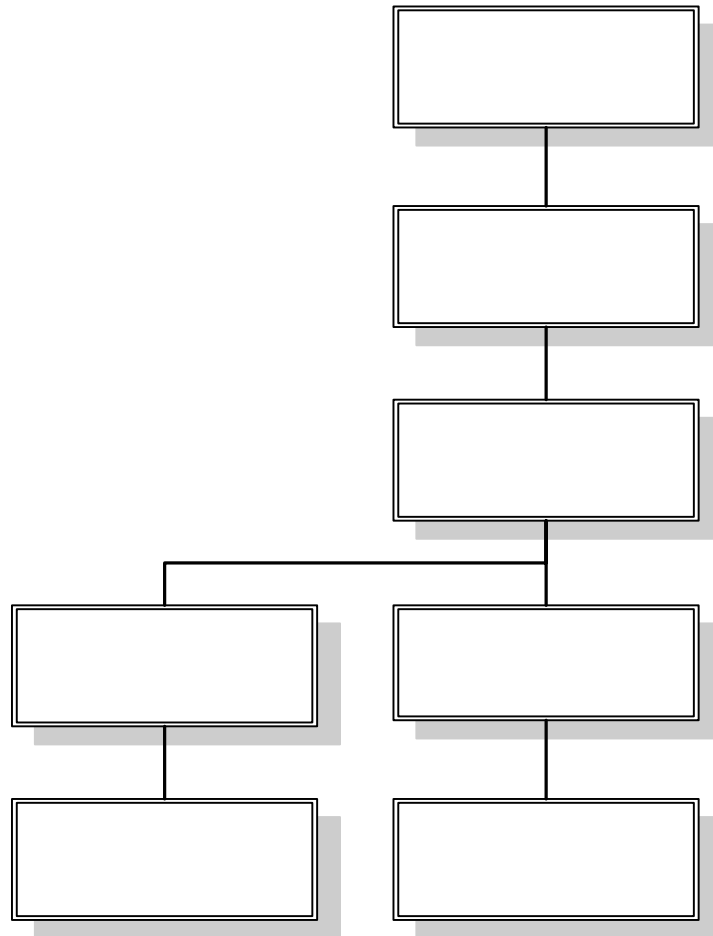
# Overview

- **CTC emerged from US Chapter 11 bankruptcy protection on December 16, 2003 just over one year after filing at which time it was acquired by Columbia Ventures Corporation**
- **From August 2002 through December 16, 2003, CTC substantially restructured its operations through the consolidation of branch offices, elimination of approx. 440 employees, and the renegotiation of vendor contracts resulting in significant cost savings**
- **CTC emerged from the Chapter 11 process virtually debt free extinguishing approx. \$425 million of debt and an additional \$200 million of convertible preferred stock**
- **As a result of the restructuring activities, CTC is now cash flow and EBITDA positive on monthly revenues of approx. \$15 million**
- **CTC was able to retain approx. 50% of its pre-filing customer base**
- **The majority of CTC's backbone is fully redundant, consisting of fiber IRUs that span approximately 7,200 route miles**
- **CTC has recently added New York City fiber to its backbone and will close shortly on the purchase of 2 fibers between Washington, DC and Cleveland, Ohio**

## Overview (cont.)

- **CTC is a licensed competitive local exchange carrier (“CLEC”) in 13 States along the East coast**
  - **ME, VT, NH, MA, CT, RI, NY, NJ, PA, DC, DE, MD, VA and a certified local reseller in West Virginia**
- **CTC is also licensed to provide long distance services in the lower 48 states**
- **CTC also has local interconnection arrangements and is providing facilities-based local dial tone in NH, ME, MA, RI, NY (3 LATAs), CT and NJ over its VoIP fiber backbone**
- **The CTC PowerPath® Network is a 100% packet-switched network, over which the company provides converged voice and data services**

# Position of CTC within the CVC Group of Companies



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# CTC Affiliates

## ■ Other companies within the CVC group of companies include:

### ● Telecommunications Companies

- PocketiNet
- Gorilla Telecom
- Northwest PACS Networks, Inc.
- Columbia Fiber Solutions
- Hibernia Atlantic (160 gig transatlantic cable system)



ROAM<sup>AD</sup>



COLUMBIA FIBER SOLUTIONS



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# CTC Affiliates (cont.)



## ■ Non-telecommunications affiliates

- Columbia Extrusions
- Can & Bottle Systems, Inc.
- CBSI Leasing LLC
- Specialty Chemical Products, LLC



**Commercial Building Products**

## ■ Other investments:

- An approx. 9% interest in Cogent Communications
- An approx. 5% interest in Corvis
- An approx, 7% interest in THUS Communications in the United Kingdom



# Senior Management

Position	Background	
Kenneth D. Peterson, Jr.	Chairman	CEO, Chairman and Founder of Columbia Ventures Corporation. A Director of Globalstar Australia, Og Vodafone (Iceland), American Capital Strategies, Inc. (a NASDAQ-listed company), and the Washington Policy Center (a nonprofit research center).
Ray Allieri	President	SVP of Sales and Marketing for DSL.net. General Manager of MCI's \$650M Local Services business.
Jack Chidester	SVP, Sales and Marketing	EVP, Satori. President, Business Enterprise for Broadwing Communications and prior to that President and Chief Operating Officer of Winstar General Business. Mr. Chidester also held a number of top-level positions at MCI Communications.
John D. Pittenger	SVP Finance and CFO	CFO since 1989. 24 years experience in telecommunications' financial and accounting disciplines.
James P. Prenetta, Jr.	SVP and General Counsel	SVP & General Counsel of Viatel. Partner at Kelley Drye & Warren LLP, New York, New York.
Russell Oliver	SVP, Network & Engineering Operations	Comlink Incorporated, a communications network integrator. Serves as President of BICSI, a non-profit association that promotes standards and education throughout the telecommunications industry.
Tony Vermette	SVP, Customer Care	23 years of Sales and Service experience in the technology sector. During his 16 year tenure with CTC he has held Branch Manager, Director of Market Development, VP of Sales and Service and SVP of Customer Care positions

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# Branch Structure

- **CTC's operates on a branch office structure designed to provide maximum service and support to its customers**
- **Account Executives and Network Designers are based locally to be closer to the customer**
- **CTC currently operates out of 19 branches located in MA (5 locations), CT (1 location), MD (1 location), ME (2 locations), NH (1 locations), NJ (1 location), NY (4 locations) and VT (1 location)**
- **CTC is also in the process of adding an additional sales office in PA/southern New Jersey and will add a new office in New York, NY before the end of Q105**

# Products/Services

- **The following suite of products is available over CTC's packet-switched VoIP network.**
  - **Local dial tone (both resold and facilities-based)**
  - **Long distance (both resold and facilities-based)**
  - **Converged voice and data services over our network (soon to be adding PRI)**
  - **Facilities-based Internet access services (no dial up services provided)**
  - **Frame relay services**
  - **Shortly launching Frame over DSL, PowerPath PRI**
- **On an off-net basis, we sell the full array of Verizon and SBC services.**
- **We also provide basis email services and conference calling services through a third party vendor.**

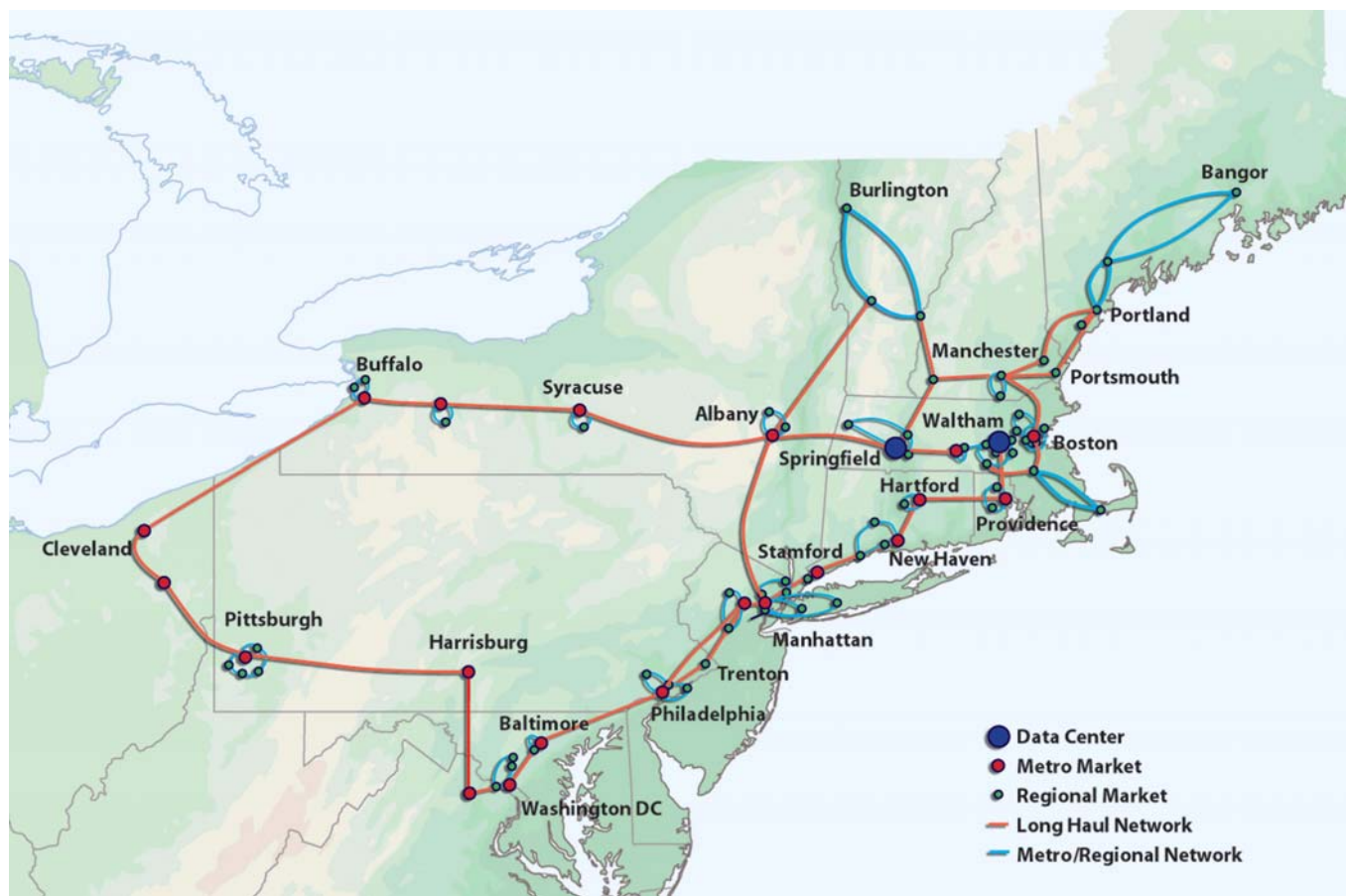
# Network Operations Center



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# Powerpath® Network

## Northeastern and Mid-Atlantic States



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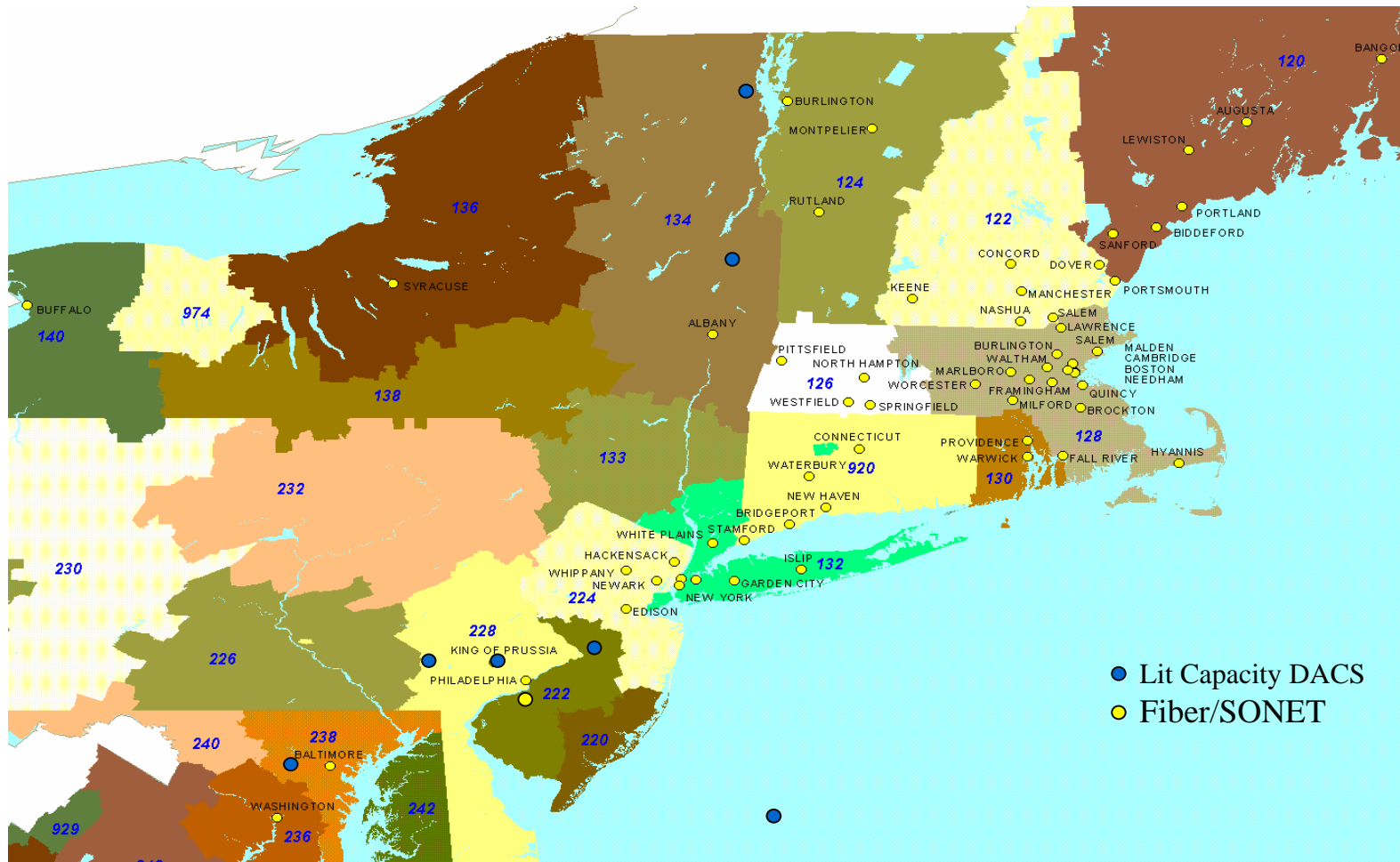


# PowerPath® Network



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## 63 Nodes (CTC is also currently constructing 7 additional Nodes in the MD, DC area)



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# Strategic Focus

- **Drive existing and new customer to our on-net facilities-based service offerings**
- **Stay primarily focused on target customer profile (multi-location, multi-state)**
- **Stabilize customer base during 2004 and begin to grow that base during the second half of 2005 through organic means and selective acquisitions**
- **Build on long-term relationship with Verizon**
  - **Benefits CTC, Verizon and the end users**
- **Increase participation in state and federal proceedings that could negatively impact CTC's business model**

# Strategic Regulatory Initiatives and Concerns

## ■ IP-Enabled Services

- CTC's network is 100% packet switched
- Since 2000, CTC has been providing local dial tone as well as long distance, frame relay, internet and private line service over its packet-based network
- CTC has relied on and has a need for continued reliance on:
  - NANP Resources
  - Local Interconnection Arrangements, including access to 911 and TRS
  - Unbundled network elements such as local loops and transport
- CTC is currently certificated as a CLEC and contributes to telecommunications funds such as USF and TRS.
- Commission's rules should afford same rights and assurances to Information Services as are afforded to competitive local providers under Section 271 and Merger Conditions

# Strategic Regulatory Initiatives and Concerns (cont'd.)

## ■ CALEA

- CTC has partnered with Fudicianet for its CALEA compliance solution

## ■ TRO

- Unbundled high capacity loops and transport embedded in network.
  - The elimination of unbundled OC-n transport alone is anticipated to result in a cost increase that exceeds \$100K per month.
- CTC IS precisely what the Act envisioned.
  - Resale and UNE-P used as an interim method to acquire customers while CTC deployed its own network assets.
  - The deployment of new technologies and a network that is more cost efficient than the traditional circuit switched network.
- CTC's vision foresaw the elimination of local switching and UNE-P and therefore pursued a more stable Term and Volume Resale Arrangement as its interim method of choice.

# Strategic Regulatory Initiatives and Concerns (Cont'd.)

## ■ Truth in Billing

- National Association of State Utility Advocates Petition for Declaratory Ruling
  - Possibility for cross subsidization of surcharges
  - Will prohibit competition in a resale environment

## ■ Deregulation of Broadband and ILEC decommissioning of circuit switches

- Benefits only large providers
  - Catch 22 for smaller entities such as CTC
    - ♦ Can't increase volumes because their costs are too high
    - ♦ Can't reduce their costs because their volumes are too small
- Applicability of Section 251 obligations to new technology (ILEC packet switching architecture)